
IN THE MATTER OF the *Insurance Act*, R.S.O. 1990, c.l.8, as amended (the “Act”), in particular sections 441, 441.2 and 441.3;

AND IN THE MATTER OF Peter Maccabe;

AND IN THE MATTER OF 2070375 Ontario Inc o/a McGill Health Services.

**NOTICE OF PROPOSAL TO IMPOSE COMPLIANCE ORDER
AND
NOTICE OF PROPOSAL TO IMPOSE ADMINISTRATIVE PENALTIES**

TO: Peter Maccabe

AND TO: 2070375 Ontario Inc. o/a as McGill Health Services
2 St. Clair Avenue East, Suite 800
Toronto, ON M4T 2T5

TAKE NOTICE THAT pursuant to section 441 of the Act, and by delegated authority from the Chief Executive Officer of the Financial Services Regulatory Authority of Ontario (the “Chief Executive Officer”), the Director, Litigation and Enforcement (the “Director”), is proposing to order 20703756 Ontario Inc., carrying on business and also known as McGill Health Services, to immediately:

- i. Cease soliciting insurance business in Ontario; and
- ii. Permanently cease operating the following websites:
 - a. www.mcgillhealth.com
 - b. www.mcgillfinancial.com
 - c. www.mcgillhealth.ca
 - d. www.trilliumwealthmanagement.com
 - e. www.mcgillwealthmangement.com
 - f. www.trilliumservices.com

Attached hereto as Schedule “A” to this Notice of Proposal is the Chief Executive Officer’s Report.

AND TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to impose an administrative penalty in the amount of \$5,000 on Peter Maccabe for failing to comply with a requirement established under the Act, namely, an obligation assumed by way of an undertaking under the Act as defined under section 441.1(d)

of the Act. Attached hereto as Schedule “B” to this Notice of Proposal are details of these contraventions and reasons for this proposal.

AND TAKE NOTICE THAT pursuant to section 441.3 of the Act, and by delegated authority from the Chief Executive Officer, the Director is proposing to impose an administrative penalty in the amount of \$10,000 on 2070375 Ontario Inc. for failing to comply with a requirement established under the Act, namely, an obligation assumed by way of an undertaking under the Act as defined under section 441.1(d) of the Act. Attached hereto as Schedule “B” to this Notice of Proposal are details of these contraventions and reasons for this proposal.

SI VOUS DÉSIREZ RECEVOIR CET AVIS EN FRANÇAIS, veuillez nous envoyer votre demande par courriel immédiatement à: contactcentre@fsrao.ca.

YOU ARE ENTITLED TO A HEARING BY THE FINANCIAL SERVICES TRIBUNAL (THE “TRIBUNAL”) PURSUANT TO SECTIONS 441(3), 441(5), 441.3(2) AND 441.3(5) OF THE ACT. A hearing by the Tribunal about this Notice of Proposal may be requested by completing the enclosed Request for Hearing Form (Form 1) and delivering it to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you. The Request for Hearing Form (Form 1) must be mailed, delivered, faxed or emailed to:

Address: Financial Services Tribunal
25 Sheppard Avenue West,
7th Floor
Toronto ON M2N 6S6

Attention: Registrar

Fax: 416-226-7750

Email: contact@fstontario.ca

TAKE NOTICE THAT if you do not deliver a written request for a hearing to the Tribunal within fifteen (15) days after this Notice of Proposal is received by you, orders will be issued as described in this Notice of Proposal.

AND TAKE NOTICE of the payment requirements in section 5 of Ontario Regulation 408/12, which state that the penalized person or entity shall pay the penalty no later than (thirty) 30 days after the person or entity is given notice of the order imposing the penalty, after the matter is finally determined if a hearing is requested or such longer time as may be specified in the order.

For additional copies of the Request for Hearing Form (Form 1), visit the Tribunal’s website at www.fstontario.ca

The hearing before the Tribunal will proceed in accordance with the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* (“Rules”) made under the authority of the *Statutory Powers Procedure Act*, R.S.O. 1990, c. S.22, as amended. The Rules are available at the website of the Tribunal: www.fstontario.ca. Alternatively,

a copy can be obtained by telephoning the Registrar of the Tribunal at 416-590-7294, or toll free at 1-800-668-0128 extension 7294.

At a hearing, your character, conduct and/or competence may be in issue. You may be furnished with further and or other particulars, including further or other grounds, to support this proposal.

SCHEDULE “A”

REPORT OF THE CHIEF EXECUTIVE OFFICER

I. INTRODUCTION

1. Section 441(1) of the Act requires the Chief Executive Officer to make a report if the Chief Executive Officer is of the opinion that a person has committed or is committing any act, or has pursued or is pursuing any course of conduct, that is an unfair or deceptive act or practice or might reasonably be expected to result in a state of affairs that would constitute an unfair or deceptive act or practice.
2. The Director, a delegate of the Chief Executive Officer, is of the opinion that 20703756 Ontario Inc., carrying on business as McGill Health Services (“McGill”), and Peter Maccabe (“Maccabe”) are committing an act or pursuing a course of conduct that constitutes an unfair or deceptive act or practice under the Act.
3. This is the report pursuant to section 441(1) of the Act.

II. BACKGROUND

4. McGill was licensed as a corporate life insurance agent (licence # 31983M) under the Act until its licence expired on June 16, 2015.
5. Maccabe is the sole director and officer of McGill.
6. Maccabe has never been licensed under the Act.

III. HISTORICAL COMPLAINTS AND WARNING LETTERS

7. In July 2010, the Financial Services Commission of Ontario (“FSCO”), the former regulator of the insurance industry in Ontario, received a complaint from LD regarding Maccabe and McGill. LD advised FSCO staff that, after reviewing information in a flyer and on McGill’s website, LD contacted McGill to upgrade an existing health insurance plan with Manulife. LD subsequently came to learn that the Manulife policy had not been upgraded, despite having premiums withdrawn from her account for these purposes.
8. FSCO issued a Warning Letter to McGill stating that it provided misleading and incorrect information about coverage to LD, contrary to section 1(4) of Ontario Regulation 07/00. McGill was warned that future occurrences would be deemed a repeat occurrence.
9. On July 3, 2013, FSCO received a complaint from the Ontario Blue Cross (“OBC”) that included various allegations. OBC alleged that Maccabe was misrepresenting himself as an OBC agent and harassing OBC’s customers. The complaint also alleged that Maccabe used OBC’s logo on various websites without authorization.

10. FSCO reviewed the complaint and the website at the following address: www.macgill.com. On September 25, 2013, FSCO issued a letter of warning to Maccabe noting that www.macgill.com was not compliant with section 1(4) of Ontario Regulation 7/00
11. On October 23, 2013, FSCO staff warned Maccabe not to solicit insurance products without being licensed with FSCO. FSCO staff also advised Maccabe that the website at www.mcgillhealth.com did not appear to be in compliance with the Act.
12. On April 9, 2014, FSCO received a Life Agent Reporting Form (“LARF”) from Manulife Financial (“Manulife”) alleging misrepresentations by McGill and Maccabe. Manulife alleged that Maccabe was acting and holding himself out as an agent without being licensed under the Act. Manulife also alleged that McGill was holding itself out as an agent of Manulife through emails and other media, without authorization. Manulife asserted that McGill was misleading the public by purporting to have the authority to represent Manulife and its products.
13. On August 14, 2014, FSCO received a complaint from Triumph Capital Limited (“Triumph”) regarding an unlicensed individual working at McGill. The complaint alleged that the unlicensed agent solicited NS, an elderly person, to transfer an existing policy with Blue Cross to Manulife. Triumph alleged that the information provided to NS included false information regarding the Blue Cross policy intended to encourage NS to transfer the policy to Manulife. Triumph provided FSCO with further examples of solicitation by McGill and its agents.
14. On December 16, 2014, Manulife provided FSCO staff with a copy of an investigative report and two LARFs regarding McGill and a former Manulife agent. The report included allegations that McGill and the agent were involved in fronting and the systematic replacement of OBC plans with Manulife Affinity plans by unlicensed persons.
15. In April of 2015, FSCO commenced a formal investigation. Through the course of this investigation, FSCO received further information and emails from Manulife confirming that Maccabe, McGill and another unlicensed company named Trillium Health Services were actively involved in soliciting insurance business through websites.

IV. THE UNDERTAKING TO TAKE DOWN WEBSITES AND CEASE UNLICENSED ACTIVITIES

16. On June 28, 2017, the Superintendent of Financial Services (the “Superintendent”), issued a Notice of Proposal proposing to order McGill and Maccabe to cease and desist dealing in any accident and sickness insurance product or similar products (the “2017 NOP”).

17. McGill and Maccabe requested a hearing before the Tribunal regarding the 2017 NOP.
18. On March 21, 2019, McGill and Maccabe entered into Minutes of Settlement and an Undertaking (the "Undertaking") with the Superintendent to resolve the matters arising from the 2017 NOP.
19. Pursuant to the Undertaking, McGill and Maccabe agreed to take down the following ten (10) websites (the "Websites"):
 - a. www.trilliumwealthmanagement.com
 - b. www.comprehensivebenefits.com
 - c. www.mcgillwealthmanagement.com
 - d. www.comprehensivecoverage.ca
 - e. www.comprehensivehealth.ca
 - f. www.trilliumgroupofcompanies.com
 - g. www.trilliumhealthservices.com
 - h. www.mcgillhealth.com
 - i. www.mcgillfinancial.com
 - j. www.mcgillhealth.ca
20. McGill and Maccabe agreed not to reopen any of the Websites if they offer or solicit insurance products, unless either McGill or Maccabe became licensed under the Act. Neither McGill nor Maccabe are licensed under the Act.
21. McGill and Maccabe also agreed that until licensed under the Act, they would cease and desist:
 - a. acting as insurance agents or holding themselves out as such in Ontario;
 - b. undertaking or carrying on the business of insurance in Ontario;
 - c. soliciting the sale of insurance in any form in Ontario; and
 - d. advertising the sale of insurance by means of websites, personally, and through unlicensed entities in Ontario.
22. McGill and Maccabe agreed that they would only act as a marketing firm whose client base includes licensed insurance agents. Pursuant to the Undertaking, McGill and Maccabe's marketing efforts were restricted to acting as a referral service and would not involve the negotiation of any insurance products, whether by the internet or any other form of communication.
23. As of November 23, 2020, the following six Websites were still in operation:
 - a. www.trilliumwealthmanagement.com
 - b. www.mcgillwealthmanagement.com
 - c. www.trilliumhealthservices.com
 - d. www.mcgillhealth.com
 - e. www.mcgillfinancial.com
 - f. www.mcgillhealth.ca

24. As of November 23, 2020, these six Websites promoted what is identified as the “OREA/TREB Members Health Plan”. Each of these websites provided details regarding five extended health care coverage options. The following is an excerpt from the Websites:

Our dedicated team here at Trillium Health Services helps Canadian entrepreneurs, self-employed professionals and small business owners bridge the ever-widening gap between their Provincial Health Care Plans (OHIP) and their specific family health care needs. There are so many different healthcare options to choose from that it can become overwhelming. At Trillium, we'll do the shopping for you, leveraging our 30 years' experience in the industry to secure the most optimal plans in terms of coverage, affordability, and flexibility. We invite you to check out and compare our plans, all of which are underwritten and supplied by the best Insurance Companies - Great West Life, Manulife and Sunlife and Blue Cross to name a few – some of Canada's leading insurance institutions.

25. On the “Get a Quote” page of the Websites, visitors were invited to fill out a form to obtain an insurance quote from one of McGill’s insurance experts. In addition to name, address and contact information, the form requires the applicant to:
- a. select the Trillium Health Services Plan that they would like more information about;
 - b. confirm if they have been covered by a health insurance plan in the last 60 days;
 - c. provide their date of birth; and
 - d. confirm whether they are a smoker, which is identified on the form as “A little personal information (for cost comparison)”.

SCHEDULE “B”

REASONS FOR PROPOSAL

I. INTRODUCTION

1. These are the reasons for the proposal by the Director to impose:
 - i. an administrative penalty in the amount of \$5,000 on Maccabe;
 - ii. an administrative penalty in the amount of \$10,000 on McGill; and
 - iii. a compliance order on Maccabe and McGill.

II. GROUNDS FOR IMPOSING ADMINISTRATIVE PENALTIES

2. The Director is of the opinion that imposing administrative penalties on Maccabe and McGill under section 441.3(1) of the Act will satisfy one or both of the following purposes under section 441.2(1) of the Act:
 1. To promote compliance with the requirements established under the Act.
 2. To prevent a person from deriving, directly or indirectly, any economic benefit as a result of contravening or failing to comply with a requirement established under this Act.
3. Section 441.1(d) of the Act provides that requirements established under the Act include obligations assumed by way of an undertaking.
4. As set out in the Report of the Chief Executive Officer at Schedule “A”, Maccabe and McGill failed to comply with the Undertaking given to the Superintendent by:
 - a. failing to take down the Websites or reopening the Websites to offer or solicit insurance products despite not being licensed under the Act; and
 - b. advertising the sale of insurance through the Websites.
5. The Director is satisfied that administrative penalties in the amount of \$5,000 on Maccabe and administrative penalties in the amount of \$10,000 on McGill should be imposed for failing to comply with the Undertaking, pursuant to sections 444.3(1) and 441.1(d) of the Act.

6. In determining the amount of the administrative penalties, the Director has considered the following criteria as required by section 4(2) of Ontario Regulation 408/12:
 1. The degree to which the contravention or failure was intentional, reckless or negligent.
 2. The extent of the harm or potential harm to others resulting from the contravention or failure.
 3. The extent to which the person or entity tried to mitigate any loss or take other remedial action.
 4. The extent to which the person or entity derived or reasonably might have expected to derive, directly or indirectly, any economic benefit from the contravention or failure.
 5. Any other contraventions or failures to comply with a requirement established under the Act or with any other financial services legislation of Ontario or of any jurisdiction during the preceding five years by the person or entity.
7. In respect of the **first criterion**, the Director believes that the failure to comply with the Undertaking is intentional. Maccabe and McGill were required to take down the Websites prior to executing the Undertaking and prohibited from reopening the Websites to offer or solicit insurance products while they remain unlicensed. Maccabe and McGill are not licensed in any capacity under the Act. Therefore, McGill and Maccabe reopened, and continue to operate and/or maintain the Websites to offer or solicit insurance products, knowing that they are doing so in contravention of the Undertaking given.
8. In respect of the **second criterion**, the Director believes that there is serious risk of harm or potential harm to others resulting from McGill and Maccabe's failure to comply with the Undertaking. McGill and Maccabe have a history of providing misinformation to members of the public regarding insurance products and misrepresenting their relationships with various insurers.
9. In respect of the **third criterion**, the Director is not aware of any efforts by McGill or Maccabe to mitigate any loss or take any other remedial action.
10. In respect of the **fourth criterion**, the Director believes that McGill and Maccabe reasonably might expect to derive, directly or indirectly, an economic benefit from their failure to comply with the Undertaking. McGill and Maccabe may derive an economic benefit by engaging in the offering of insurance through the continued operation of the Websites, in breach of the Undertaking
11. In respect of the **fifth criterion**, there is a history of complaints against McGill and Maccabe to FSCO. This history includes warnings from FSCO advising McGill and Maccabe that they appeared to be contravening or failing to comply with

requirements established under the Act, and the matters that were the subject of the 2017 NOP and the Undertaking.

III. GROUNDS FOR IMPOSING COMPLIANCE ORDER

12. The Director is of the opinion that McGill and Maccabe have committed or are committing an act, or have pursued or are pursuing a course of conduct, that is an unfair or deceptive act or practice or might reasonably be expected to result in a state of affairs that would constitute an unfair or deceptive act or practice.
13. Section 439 of the Act provides that no person shall engage in any unfair or deceptive act or practice.
14. Section 1 of Ontario Regulation 7/00 provides that the commission of any act prohibited under the Act or regulations constitutes an unfair or deceptive act or practice.
15. Section 2(1) of Ontario Regulation 347/04 provides that no individual or corporation shall act as an insurance agent unless licensed under the Act.
16. Section 1 of the Act provides that the activities of an agent include:
 - a. soliciting insurance on behalf of an insurer or transmitting, for a person other than himself, herself or itself, an application for, or a policy of insurance to or from an insurer; or
 - b. offering or assuming to act in the negotiation of insurance or in negotiating its continuance or renewal with an insurer for compensation, commission, or any other thing of value
17. The Director is of the opinion that by maintaining the Websites, which continue to solicit and offer insurance, McGill and Maccabe continue to engage in activities reserved for licensed insurance agents, contrary to section 2(1) of Ontario Regulation 347/04.
18. By contravening section 2(1) of Ontario Regulation 347/04, McGill and Maccabe are committing an act or pursuing a course of conduct that constitutes an unfair or deceptive act or practice or might reasonably be expected to result in a state of affairs that would constitute an unfair or deceptive act or practice under the Act.
19. The Director is therefore satisfied that there are sufficient grounds to impose the order described in this Notice of Proposal.

20. Such further and other reasons as may come to my attention.

DATED at Toronto, Ontario, February 19, 2021

Elissa Sinha
Director, Litigation and Enforcement

By delegated authority from the Chief Executive Officer